

Via Hand Delivered

March 2, 2006

Mary L. Cottrell, Secretary
Dept. of Telecommunications and Energy
1 South Station, 2nd Floor
Boston, MA 02110

Re: Colonial Gas Company d/b/a KeySpan Energy Delivery New England
2005 Service Quality Annual Report D.T.E. 06-18

Dear Ms. Cottrell:

Enclosed is the Colonial Gas Company's ("Colonial Gas" or "Company") 2005 annual service quality report.¹ This report is submitted in accordance with the Department of Telecommunications and Energy's (the "Department") order in Service Quality Standards for Electric Distribution and Local Gas Distribution Companies, D.T.E. 99-84 (2001). The results of the report demonstrate that Colonial Gas' aggregate service quality performance for 2005 results in a penalty of seventy thousand eight hundred sixty two dollars (\$70,862.00). The Company plans to refund this penalty amount to Colonial Gas Company's customers through the 2006 Off-Peak Local distribution Adjustment Factor Charge.

The Company's report contains three sections. Section one is a summary of the Company's 2005 performance. Section two contains available historical performance since 1996. Section three contains back-up data and supporting schedules used in calculating the Company's performance.

Please note that the Company's performance for its Response to Odor Calls and Meter Reading service quality indices were severely affected by the January 22, 2005 blizzard. Massachusetts experienced snowfall in excess of two feet in many communities making response, and travel in general, extremely difficult. As a result of this storm, the Commonwealth of Massachusetts was declared to be in a state of emergency by Governor Mitt Romney.

¹ Non-penalty measure performance and financial data should be treated as preliminary in nature and may be updated with the filing of the Company's D.T.E. annual return.

Although KeySpan took pro-active steps to ensure adequate resources were available to respond to emergencies and to perform other non-emergency duties, the blizzard had an adverse impact on our service quality performance. Accordingly, the Company has adjusted the 2005 data for Odor Call Response and Meter Reading for the period of January 24, 2005 through January 29, 2005.

The results reported in the attached Form A reflect data that has been adjusted to (i.) remove results for the time period January 24, 2005 through January 29, 2005 and (ii.) replace those results with the average performance for all other days during the month of January 2005. The Department approved a similar adjustment for Boston Gas' performance following a severe storm, including the same adjustment method, in Boston Gas Company, D.P.U. 97-92, at p. 8. The Department also approved a similar adjustment method for Essex Gas Company in docket D.T.E. 03-18 to remove elevated odor calls received due to an inadvertent release of gas odorant in the neighboring BayState Gas Company service territory.

Please contact me if you need anything further.

Very truly yours,

Thomas P. O'Neill

TPO/ca
Enclosures

Cc: George Yiankos, Director of Gas Division
Kevin Brannelly, Director of Rates & Revenue Requirements
Karen Robinson, Director of Consumer Division
Jody Stiefel, Hearing Officer